

House Bill 627

By: Representatives Kaiser of the 59th, Ashe of the 56th, Fludd of the 66th, Gardner of the 57th, Thomas of the 100th, and others

A BILL TO BE ENTITLED
AN ACT

To amend Article 7 of Chapter 14 of Title 44 of the Official Code of Georgia Annotated, relating to foreclosures, so as to enact the "Georgia Foreclosed Property Upkeep Act"; to provide for a short title; to provide for legislative declarations; to provide for a bond for properties purchased at foreclosure; to provide procedures relating to such bond; to provide for related matters; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Article 7 of Chapter 14 of Title 44 of the Official Code of Georgia Annotated, relating to foreclosure, is amended by designating the current Part 2 as Subpart 1 of Part 2 and by adding a new subpart to read as follows:

"Subpart 2

44-14-192.

This subpart shall be known and may be cited as the 'Georgia Foreclosed Property Upkeep Act.'

44-14-193.

The General Assembly declares:

(1) That there exists within the State of Georgia foreclosed properties that have caused a foreclosure blight which adversely affects the neighborhoods or the cities or towns in which they are located. It is further found that neglected foreclosed properties subject neighborhoods and municipalities to drug crimes, prostitution, vagrants living in the foreclosed properties, vandalism, and a host of other social ills; as foreclosed properties fall deeper into disrepair, the values of the surrounding homes and businesses also deteriorate;

(2) That conditions existing on blighted foreclosed properties are dangerous to the public health, safety, morals, and general welfare of the people; necessitate an excessive and disproportionate expenditure of public funds for public health and safety, crime prevention, fire protection, and other public services; and cause a drain upon public revenue, impairing the efficient and economical exercise of governmental functions in these areas; and

(3) That to correct and prevent the existence of these adverse conditions, and to achieve and maintain levels of environmental quality as will protect and promote health, safety, and general welfare, it is further declared that the enactment and enforcement of this 'Georgia Foreclosed Property Upkeep Act' is essential to the public interest. It is intended that the provisions of this subpart be liberally construed to effectuate its stated purposes.

44-14-194.

(a) Any individual, financial institution, or business entity purchasing a property at foreclosure shall maintain such property pursuant to and subject to the provisions and penalties established by counties pursuant to Chapter 13 of Title 36.

(b) Any individual, financial institution, or business entity subject to the provisions of subsection (a) of this Code section shall file with the Department of Community Affairs a bond in the amount of 25 percent of the price paid for the foreclosed property. Such bond shall be filed with the Department of Community Affairs at the time the foreclosure deed is recorded. The Department of Community Affairs shall not record any foreclosure deed that does not have such bond attached.

(c) Upon determining that a foreclosed property is unsafe and has violated an established property maintenance standard, the county shall provide the purchaser of such property written notice of the violation. Such notice shall be by certified mail or statutory overnight delivery.

(d) Any foreclosed property that the county in which such property is located deems to be unsafe or in violation of any county property maintenance standard that is not corrected within 30 days of receipt of the notice provided pursuant to subsection (c) of this Code section shall have its foreclosure bond forfeited to the county and the proceeds used to correct the deficiencies. Any unused portion of such foreclosure bond shall be kept by the county to insure the future upkeep of such foreclosed property. Once the full value of the foreclosure bond is used in the upkeep of the foreclosed property, the owner of the property shall file another bond in the same amount within ten days or have the property forfeited to the county under the same procedures governing tax sales pursuant to Chapter 4 of Title 48."

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SECTION 2.

59 All laws and parts of laws in conflict with this Act are repealed.